

# Blog Watch

« Spirited Reaction To Berwick Recess Appointment

## Revisiting Berwick's Appointment

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Bloggers continue to argue about President Barack Obama's recess appointment of [Dr. Donald Berwick](#) to head the agency that oversees Medicare and Medicaid. Others explore the intricacies of several health overhaul issues, including whether the law could be defunded by Republicans and if more competition among health insurers would really help control health cost

[The New Republic's](#) Jonathan Cohn adds an addendum to his [initial positive reaction](#) to the recess appointment after considering the argument made by Tevi Troy, a conservative health policy expert. Troy wrote, "Being a confirmed appointee really makes a difference at the agencies, and it is worth taking some political hits to give your nominees that important blessing. Given the Democrats' strong 58 seat majority in the Senate, Dr. Berwick could have gotten there if the White House had just let the process play out. When I told Jonathan that I disagreed with him on this issue, he said that if the Republicans were willing to promise that they would not filibuster Dr. Berwick, then he would be willing to say that the White House was wrong to go this route. I disagree. Nobody, Republican or Democrat, could or should make that promise, as we can't know what information the confirmation process will reveal."

[James Capretta](#) makes a similar argument: "Unlike the president, Dr. Berwick hasn't hid his worldview. The White House and Republicans were planning to obstruct the nomination. Republicans haven't obstructed anything. All they did was signal an eagerness to engage in a spirited debate over Dr. Berwick's vision for health-care cost control. The reason Dr. Berwick's nomination hasn't moved forward is because he hasn't yet submitted responses to relatively routine questions posed by the Senate Finance Committee — questions that would have been asked of any nominee, from either party, given the same set of facts and circumstances."

The Washington Post's [Ezra Klein](#) is puzzled by Tevi Troy's argument. Klein writes, "I don't like this state of affairs. As I keep saying, the procedural arms race set off by the endless filibuster is bad for both parties, and needs to be ended. But it does seem like the argument here is that Democrats should have acted in good faith even though Republicans seemed poised to act in bad faith, and even though there were real consequences both for Berwick and for the administration if Republicans crucified and then blocked him."

But Avik Roy of The National Review's [Critical Condition](#) adds: "There is another reason for thoughtful (and philosophically consistent) liberals to oppose Berwick's recess appointment: There won't always be a Democrat in the White House."

Elsewhere, on the [Health Affairs blog](#) economist Uwe Reinhardt looks at some experts' contention that a more competitive health insurance market would better control health care costs. Reinhardt writes, "I have some trouble, however, grafting that model onto the market for health insurance, which is not quite like the market for the legendary widget. ... Ideally, in my view the market for health insurance would be oligopolistic, which means that only a few insurers — each with some market clout vis à vis providers — would compete for enrollees in a local market. What the ideal number would be is an interesting question on which economists can have a lively debate. So what am I missing here? Why do so many otherwise sensible people believe that fragmenting the buy side of the health care market even more than it already is will help contain the rising cost of health care? I would argue just the opposite."

Economist [Austin Frakt](#) responds: "Reinhardt should not hold his breath. I can think of no sensible argument that—holding all else constant—starts with a reduction in insurers' market power and ends with a decrease in medical costs and health care premiums. However, if one is willing to add in other elements of reform, I can think of some possibilities that include increased insurer competition. For example, if insurers are permitted to collude to set all-payer rates to medical providers then they could maintain a high degree of leverage over providers while competing vigorously for policyholders. Or, the provider market could be commensurately diluted so that the *relative* provider-insurer balance of power was held constant." He concedes neither of those options is likely.

[Wonk Room's](#) Igor Volsky examines whether Republicans would be able to defund health reform if they take over Congress

the November elections. Volsky looks at comments by Gail Wilensky suggesting this is unlikely and then he explains, “Indeed mandatory spending, such as Medicare and Medicaid, continues from year to year unless Congress passes new legislation to reduce it; discretionary spending, which covers most of the day-to-day operations of federal agencies, is appropriated every year in annual appropriations bills. It's far easier for Congress to adjust an appropriations mark than muster the political support to pass new legislation to defund the new Medicaid expansion or affordability credits to middle class Americans.”

AHCJ's Andrew Van Dam looks at a provision of the health care law that requires insurers to spend a certain percent of revenues on medical expenses or treatment. Van Dam says, “At present, the key issue seems to be subsidiaries. Major insurers have hundreds of them each, and while the insurer could meet the requirements if all subsidiaries were averaged together, they won't be able to hit the numbers at every single subsidiary.”

And the Cato Institute's Michael Tanner has a [new brief](#) on the health overhaul law. The Cato [website](#) says the brief finds that “the bill is bad medicine. It is likely to make Americans less healthy, less prosperous, less able to direct their own health care decisions, and places huge burdens on our economy and already massive national debt.” The Heritage Foundation's Stuart Butler also authored a [new paper](#) on the law, according to the foundation's [blog](#).